

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	
In the Matter of	)	
	)	
CITIZENS BANK	)	ORDER TO PAY
MOUNT VERNON, KENTUCKY	)	CIVIL MONEY PENALTY
	)	
(INSURED STATE NONMEMBER BANK)	)	FDIC-06-245k
	)	

CITIZENS BANK, MOUNT VERNON, KENTUCKY ("Bank"), and a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT") dated January 24, 2007, whereby the Bank, solely for the purpose of this proceeding and without admitting or denying any violation of law for which a civil money penalty may be assessed, consented and agreed to pay a civil money penalty in the amount of \$2,050 to the Treasury of the United States pursuant to the Flood Disaster Protection Act ("Flood Act"), as amended, 42 U.S.C. § 4012a, section 8(i)(2) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(i)(2), and Parts 308 and 339 of the FDIC Rules and Regulations, 12 C.F.R. Parts 308 and 339.

The civil money penalty assessed in this action relates to the following violations:

- Five instances in which the Bank failed to secure or maintain adequate flood insurance on loans secured by improved real estate located in areas determined by the Director of the Federal Emergency Management Agency to have special flood hazards, in violation of section 339.3 of the FDIC Rules and Regulations, 12 C.F.R. § 339.3; and
- Four instances in which the Bank failed to provide written notice to borrowers of the availability of flood insurance, in violation of section 339.9 of the FDIC Rules and Regulations, 12 C.F.R. § 339.9.

The FDIC considered the matter and determined it had reason to believe that the Bank has engaged or participated in violations of law or regulations for which a civil money penalty of \$2,050 is appropriate to be assessed against the Bank, pursuant to the Flood Act, 42 U.S.C. § 4012a, section 8(i)(2) of the FDI Act, 12 U.S.C. § 1818(i)(2), and Parts 308 and 339 of the FDIC Rules and Regulations, 12 C.F.R. Parts 308 and 339.

After taking into account the CONSENT AGREEMENT, the appropriateness of the civil money penalty with respect to the financial resources and good faith of the Bank, the gravity of

the violations by the Bank, the history of any previous violations by the Bank, and such other matters as justice may require, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS HEREBY ORDERED that CITIZENS BANK, MOUNT VERNON, KENTUCKY, be, and hereby is, assessed a civil money penalty of \$2,050, pursuant to the Flood Act, 42 U.S.C. § 4012a, section 8(i)(2) of the FDI Act, 12 U.S.C. § 1818(i)(2), and Parts 308 and 339 of the FDIC Rules and Regulations, 12 C.F.R. Parts 308 and 339. The Bank shall pay the civil money penalty to the Treasury of the United States.

This Order to Pay Civil Money Penalty shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 19 day of March, 2007.

April Breslaw
Acting Associate Director
Division of Supervision and Consumer
Protection